

**Final version
September 2011**

Regional Australia Institute Limited

CONSTITUTION

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Regional Australia Institute Limited

CONSTITUTION dated September 2011

1. Name

The name of the Company is Regional Australia Institute Limited (**Institute**).

2. Corporate Structure

The Institute is a company limited by guarantee, incorporated in accordance with the *Corporations Act 2001* ("**Corporations Act**").

3. Definitions & Interpretation

(a) **Exclusion of replaceable rules**

The replaceable rules in the Corporations Act do not apply to the Institute.

(b) **Definitions**

In this Constitution the words and phrases set out hereunder shall have the following meanings:

(i) **Membership**

- **'Founding Members'** means those persons named as members in the application to register the Institute lodged with ASIC.
- **'Foundation Member'** means a person or entity admitted to membership of the Institute as a Foundation Member in accordance with clause 9(b).
- **'Ordinary Member'** means a person or entity admitted to membership of the Institute as an Ordinary Member in accordance with clause 9(c).
- **'Member'** means each Founding Member, each Foundation Member and each Ordinary Member.
- **'Voting Member'** means each Founding Member, each Foundation Member and each Ordinary Member.

(ii) **Directors**

- **'Director'** means each director of the Institute.
- **'Board'** means the Institute's board of directors.

(iii) **General**

- **'Funding Commitment Agreement'** has the meaning provided in clause 10.

- **'Objects'** means the objects of the Institute as set out in clause 4.
- **'Research Advisory Committee'** means the Committee of that title established in accordance with clause 23.
- **'Scientific Research'** means any activity in the fields of natural or applied science for the extension of knowledge where:
 - natural science is the study of material phenomena of animate and inanimate things, including subjects such as physics, chemistry, biology, astronomy;
 - applied science is the application of some branch of science for the solution of practical problems (it is not confined to the natural sciences); or
 - extension of knowledge is an extension of or addition to the sum total of knowledge, not an extension of the field over which knowledge already known is spread.
- **'Exclusive Research Fund'** means the fund created in accordance with clause 24.
- **'Approved Research Institute'** has the meaning under section 73A of the *Income Tax Assessment Act 1936* (Cth).

(c) **Interpretation**

In this Constitution, unless the contrary intention is indicated:

- (i) The word 'person' includes an individual, a firm, a corporation, an incorporated or unincorporated association, a public or local authority, a state owned corporation or any other Government entity.
- (ii) The singular includes the plural and vice versa.
- (iii) The use of any gender-specific expressions includes all genders.
- (iv) Where a word or part of speech or phrase is given a particular meaning, other grammatical forms of any such word, part of speech or phrase shall have a corresponding meaning.
- (v) A reference to any statute includes a reference to that statute as amended from time to time and any statute enacted in its place, and any rules and regulations made under that statute.
- (vi) A word or phrase given a meaning in the Corporations Act has the same meaning in this Constitution where it relates to the same matters as the matters for which it is defined in the Corporations Act, unless that word or phrase is otherwise defined in this Constitution.

4. Objects

- (a) The objects of the Institute are:
 - (i) To conduct research into priority policy issues impacting on regional Australia, with the aim of identifying policy solutions that enhance the prosperity, and sustainability of regional Australia.
 - (ii) To promote the results of policy research to governments and the wider community.
 - (iii) To foster debate on policy issues impacting regional Australia.
 - (iv) To engage in such other activities of a like nature as may be identified as contributing to regional Australia.
- (b) The Institute is committed to operating on a non-party political basis, and in a manner whereby policy and research outcomes are developed with integrity and without undue influence from political, financial or social interests.

5. Property & Income

- (a) The income and property of the Institute, however derived, must be applied solely to the promotion of the Objects. No part of that income or property may be paid or transferred (directly or indirectly) by way of dividend, bonus, or otherwise by way of profit, to Members of the Institute. Provided that this clause 5(a) does not prevent:
 - (i) the payment in good faith of remuneration to any officer, employee or Member of the Institute for services rendered to the Institute or for goods supplied to the Institute in the ordinary course of business;
 - (ii) the payment of interest (at a rate not exceeding the rate from time to time fixed by the Board for the purposes of this clause) on money borrowed from a Member;
 - (iii) the payment of reasonably and proper rent for premises let or provided to the Institute by a Member; or
 - (iv) the payment or reimbursement of out-of-pocket expenses incurred by a Member in or about the affairs of the Institute where the amount payable does not exceed an amount previously approved by the Board.
- (b) For the avoidance of doubt, nothing in clause 5(a) prevents the income and property of the Institute being invested, in accordance with investment strategies and policy set by the Board, providing that income or property derived from such investment is applied solely for the promotion of the Objects.
- (c) No Director or Secretary of the Institute may be paid or receive from the Institute any remuneration or other benefit in money or moneys worth. Provided that this clause 5(c) does not prevent:
 - (i) the payment or reimbursement of out-of-pocket expenses incurred by a Director or Secretary in or about the affairs of the Institute where the

amount payable does not exceed an amount previously approved by the Board;

- (ii) the payment of interest – at a rate not exceeding that fixed for the purposes of clause 5(a)(ii) – on money borrowed by the Institute from a Director or Secretary;
- (iii) the appointment of any Director to a salaried office of the Institute, where approved by the Board but excluding participation of the Director concerned;
- (iv) the engagement or employment of any Director or Secretary, or any company or firm in which a Director or Secretary may be engaged or interested, in a professional capacity in or about the affairs of the Institute, at usual professional remuneration rates, where approved by the Board but excluding participation of the Director concerned;
- (v) the payment of an insurance premium in respect of a contract insuring a Director or Secretary for a liability incurred as an officer of the Institute where the Board has approved the payment of the premium; or
- (vi) the payment of remuneration to a Director in accordance with clause 17.

6. Limited Liability

- (a) The liability of the Members of the Institute is limited.
- (b) Every Member of the Institute undertakes to contribute to the assets of the Institute, if it is wound up while that person is a Member, or within one year after that person ceases to be a Member, for payment of the debts and liabilities of the Institute contracted before that person ceases to be a Member, and of the costs, charges and expenses of winding up, and of any adjustment of the rights of contributing Members amongst themselves. No amount so required from a Member shall exceed ten dollars (\$10.00).

7. Winding Up/Dissolution

On a winding up of the Institute, any surplus assets of the Institute remaining after the payment of its debts must not be paid to or distributed among the Members, but must be given or transferred to:

- (a) one or more bodies corporate, associations or institutions (whether or not a Member or Members) selected by the Members by resolution at or before the dissolution of the Institute:
 - (i) having objects similar to the Objects; and
 - (ii) are deductible gift recipients for the purposes of Division 30 of the Income Tax Assessment Act 1997 (Cth) (ITAA); or
- (b) if there are no bodies corporate, associations or institutions which meet the requirements of clause 7(a), to one or more bodies corporate, associations or institutions (whether or not a Member or Members) selected by the Members by resolution at or before dissolution of the Institute, which are deductible gift recipients for the purposes of Division 30 of the ITAA ; or

- (c) if the Members do not make a selection pursuant to clause 7(a) or clause 7(b) for any reason, to one or more bodies corporate, associations or institutions meeting the requirements of either clause 7(a) or clause 7(b) selected by the Board, subject to the Board obtaining court approval pursuant to the Corporations Act to exercise this power.

8. Accounts

- (a) True and proper accounts must be kept of moneys and property received and expended or distributed by the Institute, and the manner and objects of such expenditure and distribution, and of all assets, credits and liabilities of the Institute.
- (b) All such accounts must, where required by the Corporations Act, be open and available for inspection by Members.
- (c) If required by the Corporations Act, once in every year the accounts of the Institute must be audited by a properly qualified auditor, who must report in accordance with the requirements of the Corporations Act.

9. Membership

- (a) The membership of the Institute shall comprise:
 - (i) the Founding Members;
 - (ii) any Foundation Members admitted to membership in accordance with clause 9(b); and
 - (iii) any Ordinary Members admitted to membership in accordance with clause 9(c).
- (b) A person or entity shall be eligible for admission as a Foundation Member of the Institute if that person or entity:
 - (i) has been approved by a special resolution of the Voting Members;
 - (ii) has entered into a binding agreement with the Institute to provide funding to the Institute for not less than the minimum level for Foundation Member funding prescribed by the Board from time to time; and
 - (iii) signs an application for membership in the form of Schedule 1 to this Constitution or in a form as may be determined by the Board from time to time, and pays the membership fee prescribed by the Board from time to time.
- (c) A person or entity shall be eligible for admission as an Ordinary Member of the Institute if that person or entity signs an application for membership in the form of Schedule 1 or in a form as may be determined by the Board from time to time, and pays the membership fee prescribed by the Board from time to time.
- (d) Subject to the Corporations Act and the terms of membership of a class of Members, the Institute may by resolution of the Board require the payment of fees to the Institute by Foundation Members and Ordinary Members (whether joining fees, annual fees or both) of any amount, on any terms and at any times as the Board resolves ('Fees'). No Fees will be levied on Founding Members.

- (e) Where a person or entity is eligible for admission under clause 9(b) or clause 9(c), the Board determines in their absolute discretion whether an applicant will be admitted as a Member. The Board is not required to give any reason for the rejection of an application to become a Member.
- (f) If an application to become a Member is accepted by the Board, the Institute must give written notice of the acceptance to the applicant and enter the applicant's name in the Institute's register of Members.
- (g) If an application to become a Member is rejected by the Board, the Institute must give written notice of the rejection to the applicant and refund in full the fee (if any) paid by the applicant.
- (h) Failure by the Institute to comply with any notice requirement in clause 9(f) or clause 9(g) does not invalidate the decision regarding an application.
- (i) A Member ceases to be a Member on:
 - (i) resignation in accordance with clause 9(j);
 - (ii) being an individual, dies or becomes bankrupt, becomes of unsound mind or a person whose property is liable to be dealt with pursuant to a law about mental health;
 - (iii) being a body corporate, enters any form of external administration, or is deregistered, pursuant to the laws of the jurisdiction in which the Member is incorporated; or
 - (iv) termination of that Member's membership by the Board in accordance with clause 9(k).
- (j) A Member may by notice in writing to the Institute resign membership, either with immediate effect or with effect from a future date specified in that notice (but not being later than six months after the date of the notice).
- (k) Subject to clause 9(l), if:
 - (i) a Member is in breach of a provision of this Constitution; or
 - (ii) any act or omission of a Member is, in the opinion of the Board, unbecoming of a Member, or prejudicial to the interests or reputation of the Institute; or
 - (iii) a Member is, or any step is taken for that Member to become, either an insolvent under administration or an externally administered body corporate; or
 - (iv) the succession by another body corporate or entity to the assets and liabilities of the Member occurs;
 - (v) a Foundation Member fails to enter into a Funding Commitment Agreement in relation to a financial year of the Institute's operations; or
 - (vi) a Foundation Member or Ordinary Member fails to pay any Fee prescribed by the Board from time to time,

the Institute may expel the Member by a resolution of the Board and remove the Member's name from the Register.

- (l) The Institute must not expel a Member pursuant to clause 9(k) unless:
 - (i) at least 5 business days notice has been given to the Member stating the date, time and place at which the question of expulsion of that Member is to be considered by the Board, and the nature of alleged event giving rise to the expulsion; and
 - (ii) the affected Member is given the opportunity of explaining to the Board, orally or in writing, why the Member should not be expelled.
- (m) A person who ceases to be a Member:
 - (i) remains liable to pay, and must immediately pay, to the Institute all amounts that at date of cessation were payable by the person to the Institute as a Member; and
 - (ii) must pay to the Institute interest at the rate the Board resolves on those amounts from the date of cessation until and including the date of payment of those amounts.
- (n) The Institute may by resolution of the Board waive any or all of its rights pursuant to clause 9(m).
- (o) The rights of a Member are not transferable whether by operation of law or otherwise.

10. Funding Commitment Agreements

- (a) In this Constitution the expression "Funding Commitment Agreement" means a binding agreement between a Member and the Institute specifying the amount of funding which the Member is prepared to commit to the Institute and the terms of payment of that funding commitment.
- (b) Each Foundation Member admitted to membership pursuant to clause 9(b) of this Constitution must, as a condition of continuing as a Foundation Member and being entitled to exercise the rights conferred by this Constitution on a Foundation Member, enter into a Funding Commitment Agreement with the Institute in respect of each financial year of the Institute's operations.

11. Notice of meetings of Members

- (a) The Directors may convene a general meeting of Members of the Institute whenever they think fit.
- (b) A general meeting may be convened on requisition of Members in accordance with the Corporations Act, but not otherwise by Members.
- (c) The Directors shall convene an annual general meeting in each year in accordance with the requirements of the Corporations Act.
- (d) Subject to the provisions of the Corporations Act as to short notice, at least 21 days notice must be given of a meeting of the Members of the Institute.

- (e) Where the Company has called a meeting of Members, notice of the meeting, and any proxy form for the meeting may be given in the form and in the manner in which the Board resolves, subject to any requirements of the Corporations Act.
- (f) The Institute's auditor shall be entitled to receive notices of and to attend all general meetings.
- (g) The Board may cancel or postpone, to a date and time determined by the Directors, any meeting convened by the Board, but not a meeting requisitioned in accordance with clause 11(b) or by the Court in accordance with Section 249G of the Act. Written notice of postponement or cancellation of a meeting must be given to all persons entitled to receive notice of the meeting at least three days prior to the scheduled date, and such notice must specify the reason for postponement or cancellation.

12. Proceedings at General Meetings

- (a) The business of an annual general meeting may include any of the following, even if not referred to in the notice of meeting:
 - (i) the consideration of the effectiveness of the Institute's overall efforts to meet its Objects;
 - (ii) the consideration of the annual financial report, directors' report and auditor's report;
 - (iii) the election of Directors;
 - (iv) the appointment of the auditor; and
 - (v) the fixing of the auditor's remuneration.
- (b) All business – other than that referred to in clause 12(a) – which is transacted at an annual general meeting, and all business transacted at any other general meeting shall be considered special business.
- (c) Three Voting Members present in person or by proxy or representative shall constitute a quorum at a general meeting, provided that at all times where the Institute has one or more:
 - (i) Founding Members, at least one Founding Member is present in person or by proxy or representative; and
 - (ii) Foundation Members, at least one Foundation Member is present in person or by proxy or representative.
- (d) An item of business may not be transacted at a general meeting unless a quorum is present when the meeting proceeds to consider it. However, if a quorum is present at the beginning of a meeting, it is to be deemed present through the meeting, unless the Chair of the meeting otherwise declares.
- (e) The Chair of the Board shall preside as Chair at general meetings. If at a general meeting the Chair of the Board is not present within 15 minutes after the time appointed for the commencement of the meeting, or is not willing to chair all or part of the meeting:

- (i) the Directors who are or will be present at the meeting may (by majority vote) elect one of their number; or
 - (ii) in the absence of all the Directors or if none of the Directors present is willing to act, the Voting Members may elect one of their number, to chair that meeting.
- (f) The Chair of a meeting may with the consent of the meeting adjourn the meeting from time to time and place to place. However, the only business that may be transacted at an adjourned meeting is the business left unfinished at the meeting from when the adjournment took place.
- (g) If a meeting is adjourned for more than 14 days, notice of the postponement must be given in accordance with clause 11(g).

13. Voting at meeting of Members

- (a) Voting Members shall have the voting rights specified in this Constitution.
- (b) A Member which is a corporation may appoint a representative to attend and, if applicable, vote on its behalf at general meetings (on a show of hands or on a poll) in accordance with the Corporations Act.
- (c) Any Member may appoint a proxy to attend and, if applicable, vote on the Member's behalf at general meetings (on a show of hands or on a poll) in accordance with the Corporations Act. The form of proxy shall be as indicated in each notice of meeting.
- (d) A resolution put to the vote at a meeting of Members must be decided on a show of hands, unless a poll is demanded in accordance with clause 15 and that demand is not withdrawn.
- (e) Unless a poll is demanded and the demand is not withdrawn, a determination by the chairperson of a meeting of Members following a vote on a show of hands that a resolution has been passed or not passed is conclusive, without proof of the number or proportion of the votes recorded in favour or against the resolution.
- (f) Except where a resolution at a meeting of Members requires a special majority pursuant to the law, the resolution is passed (both on a show of hands and on a poll) if more votes are cast by Members entitled to vote in favour on the resolution than against it.
- (g) If there is an equality of votes the Chair has (both on a show of hands and on a poll) a casting vote in addition to any votes to which he or she is entitled as a Member. The Chair has discretion both as to whether or not to use the casting vote, and as to the way in which it is used.

14. Number of votes

- (a) On a show of hands at a meeting of Members, every Voting Member entitled to vote has one vote.
- (b) On a poll:
 - (i) every Ordinary Member entitled to vote has one vote;

- (ii) subject to clause 14(c), every Foundation Member entitled to vote has one vote and one further vote for each dollar committed by the Foundation Member, during the financial year in which the general meeting is held ('**Relevant Financial Year**'), under the terms of any applicable Funding Commitment Agreement; and
 - (iii) subject to clause 14(d), every Founding Member entitled to vote has one vote.
- (c) If as at the date of the general meeting, a Foundation Member has not entered into a current Funding Commitment Agreement for the Relevant Financial Year or is in default under such Funding Commitment Agreement, that Foundation Member shall lose the right to exercise any votes at that general meeting.
- (d) When voting on a poll, the Founding Members shall, in recognition of their initial contribution to the establishment of the Institute, collectively have the right to exercise the number of votes equivalent to the greater of (when expressed as a percentage of the total of all votes exercisable at the general meeting):
- (i) their collective total number of votes calculated in accordance with clause 14(b)(iii); or
 - (ii) the collective total number of votes equal to forty nine percent (49%) of the total of all votes exercisable at the general meeting.
- (e) Where clause 14(d)(ii) applies, the total collective votes of:
- (i) the Founding Members equal forty nine percent (49%) of the total of all votes exercisable at the general meeting, and within this class each Founding Member's votes are weighted against each other Founding Member's votes in proportion to the number of votes that they are individually entitled to, calculated in accordance with clause 14(b)(iii); and
 - (ii) the Ordinary Members and the Foundation Members equal fifty one percent (51%) of the total of all votes exercisable at the general meeting, and each Ordinary Member's and Foundation Member's votes are weighted against each other Ordinary Member's and Foundation Member's votes in proportion to the number of votes that they are individually entitled to, calculated in accordance with clause 14(b)(i) and 14(b)(ii).

15. Polls

- (a) A poll on a resolution at a meeting of Members may be demanded by a Member only in accordance with the Corporations Act or by the chairperson of that meeting.
- (b) No poll may be demanded at a meeting of Members on the election of a chairperson of that meeting, or unless the chairperson of the meeting otherwise determines, the adjournment of that meeting.
- (c) A demand for a poll may be withdrawn.
- (d) A poll demanded on a resolution at a meeting of Members for the adjournment of that meeting must be taken immediately. A poll demanded on any other resolution

at a meeting of Members must be taken in the manner and at the time and place the chairperson of the meeting directs.

- (e) The result of a poll demanded on a resolution of a meeting of Members is a resolution of that meeting.
- (f) A demand for a poll on a resolution of a meeting of Members does not prevent the continuance of that meeting or that meeting dealing with any other business.

16. Class rights

- (a) Subject to the Corporations Act and the rights of a particular class of Members, the Institute may vary or cancel rights of Members in that class:
 - (i) by a special resolution passed at a meeting of the Members included in that class; or
 - (ii) with the written consent of Members who are entitled to at least 75% of the votes that may be cast by Members included in that class.
- (b) All the provisions of this Constitution relating to a meeting of Members apply so far as they are capable of application and with any necessary changes to a meeting of a class of Members required to be held pursuant to this Constitution or the Corporations Act except that:
 - (i) a quorum is 2 Members who are (or whose Member that they represent are) members of that class of Members, or if only one person is a member of that class of Members, that person (or an Member representing that person); and
 - (ii) any Member who is (or whose Member that they represent is) a member of that class of Members may demand a poll.

17. Directors

- (a) The Board shall comprise not less than three (3) nor more than seven (7) Directors (or such other number as the Members may from time to time determine by ordinary resolution). A Director need not be a Member.
- (b) The initial Directors shall be those persons named as directors in the application to register the Institute lodged with ASIC.
- (c) The initial Directors shall be appointed for a term commencing on the date of incorporation of the Institute and ending at the conclusion of the first annual general meeting to occur following the expiry of:
 - (i) a period of one year, for one of the directors;
 - (ii) a period of two years, for one of the directors; and
 - (iii) a period of three years, for all other directors,as determined by the Founding Members.

- (d) Thereafter all new Directors shall be appointed for terms of three years, expiring at the conclusion of the relevant annual general meeting. A retiring Director may act until the conclusion of the meeting at which he or she retires.
- (e) Subject to clause 18, the Voting Members may by ordinary resolution appoint any person as a Director.
- (f) At each annual general meeting any Directors whose term has expired shall retire, but may offer themselves for re-election.
- (g) The initial Chairman of the Board shall be appointed by the Founding Members. Thereafter the Chairman shall be elected in accordance with clause 20(c).
- (h) The Directors may from time to time appoint a person as a Director to fill a casual vacancy, but not so as to exceed the number of Directors specified in clause 17(a). A Director appointed by the Directors under this clause 17(h) only holds office until the next annual general meeting at which time their appointment automatically expires.
- (i) If at any time the number of Directors is reduced below the minimum number specified in clause 17(a), the continuing Directors may act only for the purpose of filling vacancies in accordance with clause 17(h) to the extent necessary to bring the number of Directors up to the minimum.
- (j) The Institute may pay to the Directors fees determined by the Board, provided that the amounts paid in any financial year do not exceed in aggregate, and per Director, the amounts determined by the Board to be reasonable given the circumstances of the Institute and the responsibilities of each Director, and following the receipt of independent, expert remuneration advice.
- (k) The Directors shall be entitled to be reimbursed out of the funds of the Institute for travelling, accommodation and other expenses reasonably incurred in relation to attendance at Board meetings and general meetings or otherwise when engaged on the affairs of the Institute.

18. Termination and Conflicts

- (a) The office of a Director is automatically vacated if the Director:
 - (i) resigns because of poor health, or other personal reasons; or
 - (ii) ceases to be a Director by virtue of, or becomes prohibited from being a Director because of, an order made under the Corporations Act; or,
 - (iii) refuses to act; or
 - (iv) is not present personally at the meetings of the Directors for a continuous period of three (3) months without leave of absence from the Directors; or
 - (v) is removed from office in accordance with this Constitution or by a resolution under Section 203D of the Corporations Act.
- (b) A Director may not vote in respect of a contract in which the Director has directly (or indirectly) a material personal interest. If the Director does so vote, that vote may not be counted.

- (c) A Director is not disqualified by that office from serving the Institute in any other office (except that of Auditor), nor in any other professional capacity, and is not liable to account for any remuneration in that office or capacity.
- (d) A firm or company in which a Director is a member or director may be engaged in a professional capacity in or about the affairs of the Institute (except as Auditors), at usual professional remuneration.
- (e) A contract entered into (by or on behalf of the Institute) is not void or voidable by reason only that a Director is in any way (directly or indirectly) interested in it.
- (f) An interested Director may attest the affixing of the seal to, or otherwise execute on behalf of the Institute, any contract or other document.

19. Powers of Directors

- (a) The management of the affairs of the Institute is vested in the Directors, who may exercise all such powers and do all such things as the Institute is by this Constitution and by the Corporations Act is authorised to exercise and do.
- (b) The power shall not include any things which are required by this Constitution or by the Corporations Act to be exercised or done by the Institute in a general meeting.
- (c) The Directors must in the course of exercising the above powers abide by any resolution passed at general meetings of the Institute giving directions as to the business and affairs of the Institute, but only to the extent that will not compromise or breach the obligations of the Directors under the Corporations Act and at general law.
- (d) The Directors shall appoint a person to be the Secretary of the Institute, with responsibility for discharging the functions of that office in accordance with the Corporations Act and this Constitution and any relevant directions from the Board, on such terms as to tenure, remuneration and otherwise as the Directors from time to time determine.

20. Proceedings of Directors

- (a) The Directors may meet for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Until otherwise determined by the Directors, three (3) Directors present are a quorum for their meetings. An interested Director is to be counted in a quorum notwithstanding the Director's interest.
- (b) Meetings shall be convened by the Secretary or the Chair. A Director who is not in Australia is entitled to notice of a meeting of Directors, but if desired by the absent Director leave of absence for the meeting shall be automatically granted.
- (c) The initial Chair shall be appointed by the Founding Members as provided in clause 17(f), and he or she shall hold office until the first annual general meeting. Thereafter the Chair shall be elected annually by the Directors.
- (d) The Directors may elect a Deputy Chair, and may determine the period for which the Deputy Chair is to hold office. The Chair and Deputy Chair may be removed by

a resolution of the Directors, of which not less than 14 days' notice has been given to all the Directors for the time being in Australia.

- (e) Questions arising at a meeting of the Directors are to be decided by consensus or if a consensus cannot be reached by a majority of votes of Directors. In the event of an equality of votes, the Chair shall have and cast the deciding vote.
- (f) The Directors may delegate any of their powers to committees consisting of such Director or Directors as they think fit, and may revoke such delegation as well. However, the delegation may not be to the exclusion (or in substitution for) all or any of the powers of the Directors. A committee in the exercise of the powers delegated by the Directors must conform to any regulations imposed by the Directors.
- (g) Subject to clause 20(h), the meetings and proceedings of a committee consisting of two (2) or more Directors are governed by the provisions of this Constitution as to the meetings and proceedings of the Directors (as far as they are applicable).
- (h) Subject to the Corporations Act, a resolution in writing signed by all the Directors who are for the time being in Australia (or all the members of a committee who are for the time being in Australia) is a valid and effectual as if it had been passed at a meeting of the Directors or committee duly called and constituted at the time the resolution was last signed. However, such Directors (or members of a committee) must in either case be at least a quorum. In addition, such resolution may consist of several documents in like form, each signed by one or more of the Directors (or members).
- (i) For the purposes of this Constitution, the contemporaneous linking together of a number of Directors by telephone, videoconference or any other technology consented to by all the Directors ("**Technology**") being at least a quorum, whether or not any one or more of them is out of Australia, is to be deemed to constitute a meeting of the Directors. All the provisions of this Constitution as to meetings of the Directors shall apply to such a meeting, if the following conditions are met:
 - (i) all the Directors entitled to notice of a meeting of the Directors are given notice of the meeting, and for this purpose notice of the meeting may be given by using any Technology; and
 - (ii) all the Directors wanting to take part in the meeting are linked by use of Technology for purposes of the meeting; and
 - (iii) at the commencement of the meeting each Director taking part acknowledges the respective Director's presence for the purpose of the meeting (to all other Directors taking part), and acknowledges that the Director is able to hear each of the other Directors taking part.
- (j) A Director may not leave a meeting conducted through the use of Technology by disconnecting the relevant Technology without the consent of the Chair of the meeting. A Director is to be deemed to be present (and to form part of the quorum through the meeting) unless the Director has obtained the consent of the Chair of the meeting to leave the meeting.
- (k) A minute of the proceedings at a meeting conducted through the use of Technology is sufficient evidence of the proceedings, and observance of all necessary formalities, if it is certified as a correct minute by the Chair of the meeting.

- (l) All acts of the Directors or a committee (or a person acting as a Director or a committee or member of a committee), are valid notwithstanding that it is afterwards discovered that there was some defect in the appointment, election, or eligibility of them (or any of them) or that they (or any of them) were ineligible or had vacated office.

21. Chief Executive Officer

- (a) The Directors may appoint a Chief Executive Officer for any period, and on any terms (including as to remuneration) as the Directors resolve.
- (b) The Directors must negotiate, and enter into, a contract of employment with the Chief Executive Officer as a precondition to the engagement of the Chief Executive Officer.
- (c) The Directors may delegate any of their powers (including the powers to delegate and to execute documents on behalf of the Institute) to the Chief Executive Officer. The Directors may prescribe any limits or restrictions on these powers as they consider appropriate.
- (d) The Directors may revoke or vary any power delegated to the Chief Executive Officer at any time.

22. Board subcommittees

- (a) Within 1 month of incorporation of the Institute, the Directors must:
- (i) establish a Finance and Audit Subcommittee as a board subcommittee; and
 - (ii) develop terms of reference for this subcommittee.
- (b) The Directors may establish any other Board subcommittee or advisory committee as they think fit and develop terms of reference to govern their operations.

23. Research Advisory Committee

- (a) The Board shall, as soon as is practicable after the establishment of the Institute:
- (i) establish a Research Advisory Committee, as an advisory committee that comprises a majority of members who are appropriately qualified in the field of research that is to be undertaken or have appropriate experience in reviewing such research; and
 - (ii) develop terms of reference concerning the nature and scope of scientific research ("**Terms of Reference**"), strategic priorities ("**Strategic Priorities**") and any overall budget guidance and limitations for the Research Advisory Committee.
- (b) The Research Advisory Committee must, at all times, consist of at least five members and who have also been approved to hold such position by the approving authority referred to in section 73A of the Income Tax Assessment Act 1936.
- (c) The Terms of Reference and Strategic Priorities developed by the Board must accord with any requirements of the ITAA, the Australian Tax Office or any other

relevant public authority to the extent necessary to ensure the Institute qualifies as an Approved Research Institute.

- (d) The Research Advisory Committee must comply with the Terms of Reference and Strategic Priorities developed by the Board in accordance with clause 23(a)(ii).
- (e) The Research Advisory Committee must comply with budgets approved by the Board for research projects.
- (f) The Research Advisory Committee will report on potential research opportunities to the Board and the Board will determine whether the research activity is undertaken and have responsibility for approving the budget of the Research Advisory Committee. In doing so, the Board will comply with the requirements of the ITAA, the Australian Tax Office or any other relevant public authority to the extent necessary to ensure the Institute qualifies as an Approved Research Institute.
- (g) The Research Advisory Committee will ensure that the research undertaken is scientific in nature and that it is, or may prove to be, of value to Australia. In particular, the function of the Research Advisory Committee is to ensure that:
 - (i) research methodology and procedures in research projects undertaken by the Institute are rigorous;
 - (ii) the conclusions of researchers are objective and supported by available data; and
 - (iii) research reports and papers produced in the name of the Institute are of the highest standard.
- (h) The Research Advisory Committee will monitor all research projects and report regularly to the Board on the performance of those projects, including in relation to performance against budget, the Terms of Reference and the Strategic Priorities.
- (i) Where the Research Advisory Committee deploys moneys, funds or property from the Exclusive Research Fund, it is to ensure that research reports and papers are to be freely published in appropriate scientific and technical press and to make available for general use, on equal terms to all interested bodies, licences for Australian patents issued in the course of such research undertaken.
- (j) The Board may put in place such arrangements regarding tenure and financial compensation for members of the Research Advisory Committee as the Board may from time to time think fit in the case of each member of that Committee.
- (k) The Board may from time to time appoint a member of the Research Advisory Committee to be the Chairman of that Committee, and may remove and replace the Chairman from time to time.
- (l) The Chief Executive Officer shall be an ex officio member of the Research Advisory Committee.
- (m) The provision of clauses 20(f) and 20(g) shall apply to the Research Advisory Committee to the extent that they are applicable. Otherwise the Research Advisory Committee may put in place such operating principles and procedures as it may from time to time consider appropriate.

- (n) The Institute must provide a secretarial function for the Research Advisory Committee, and must meet all expenses associated with the operations of the Research Advisory Committee.
- (o) The Research Advisory Committee must, in relation to any of its activities which qualify for Approved Research Institute status, comply with all relevant requirements of the Australian Taxation Office and any other relevant public authority as to the management of research funds and otherwise.

24. Exclusive Research Fund

- (a) The Board shall, as soon as is practicable after the establishment of the Institute, establish an Exclusive Research Fund Account, for the purposes of accepting deposits of all gifts and donations of money to the Institute in respect of which the donor requires or seeks a tax deductible receipt under the Income Tax Assessment Acts.
- (b) The Exclusive Research Fund account must be a separate account from all other bank accounts and/or funds created by the Institute.
- (c) Subject to clause 23(f) and 24(d), the Board, having taken advice from the Research Advisory Committee as constituted pursuant to clause 23, shall have the sole control in respect of all decisions relating to the operation of the Exclusive Research Fund Account and the disbursement of funds from the Exclusive Research Fund Account.
- (d) The Exclusive Research Fund Account is established for the exclusive purpose of scientific research conducted for the Institute.
- (e) All gifts and donations of property to the Institute in respect of which the donor requires or seeks a tax deductible receipt under the Income Tax Assessment Acts, and all income derived from gifts and donations, shall also be kept separately from all other property of the Institute and shall become part of the Exclusive Research Fund and shall be dealt with, so far as is possible, in the same manner and controlled in the same manner as gifts and donations of money pursuant to clauses 24(c) and 24(d).
- (f) Where gifts of money, property or benefits are received, receipts must be issued by the Institute to the donors which state:
 - (i) The name of the Institute;
 - (ii) The Australian Business Number applicable to the Institute;
 - (iii) The fact that the receipt is for a gift; and
 - (iv) The value of the gift.
- (g) To the extent not otherwise dealt with pursuant to clause 7(a) , at the first occurrence of:
 - (i) the winding up of the Exclusive Research Fund; or
 - (ii) the Institute ceasing to be an Approved Research Institute under section 73A of the Income Tax Assessment Act 1936 or endorsed as a deductible gift recipient in accordance with Division 30 of the ITAA,

any surplus assets of the Exclusive Research Fund must be transferred to a research fund account of another organization in Australia which has been endorsed as an Approved Research Institute that is a deductible gift recipient for the purposes of Division 30 of the ITAA.

- (h) The Commissioner of Taxation must be notified upon the occurrence of the events referred to in clause 24(g).

25. Authentication of Documents

- (a) Documents may be executed by or on behalf of the Institute:
 - (i) in accordance with the Corporations Act, or
 - (ii) under common seal, if the Directors elect to have a common seal.
- (b) If a common seal is to be used then:
 - (i) the Directors shall provide for the safe custody of the seal;
 - (ii) the seal may be affixed to a document only by the authority of the Directors, or a committee of the Directors authorised in that regard;
 - (iii) every document to which the seal is affixed must be signed by two Directors or one Director and the Secretary.
- (c) Cheques, bills of exchange, promissory notes and other negotiable instruments may be signed, or accepted, drawn, made or indorsed, on behalf of the Institute in such manner and by such persons as the Directors from time to time determine.

26. Inspection of Books

Subject to:

- (a) the Corporations Act;
- (b) the provisions of this Constitution; and
- (c) any resolution of the Members in general meeting,

the Directors may determine whether, and to what extent, at what times and places, and under what conditions and regulations, the books and documents of the Institute will be open to inspection by the Members and other persons.

27. Service of Documents

- (a) A notice or other document may be delivered or served by the Institute either personally, or by serving it:
 - (i) in the case of a Member, who does not have a registered address in Australia, by international airmail express post; or
 - (ii) in any other case, by ordinary post.
- (b) Such notices or other documents are at the risks of the addressee as soon as they are personally delivered and served.

- (c) A Member whose registered address is not in Australia may specify in writing an address in Australia to be deemed the Member's registered address within the meaning of this clause.
- (d) A document sent by post is to be deemed received or served three (3) days after the day on which it is posted (within Australia), and seven (7) days after the day on which it was posted by international air mail express overseas. In proving delivery or service it is sufficient to prove that the envelope or wrapper containing the document was properly addressed and stamped, and was posted.
- (e) A certificate in writing signed by a Director, Secretary, or other Officer of the Institute that a document (or its envelope or wrapper) was properly addressed and stamped, and was posted, shall be conclusive evidence of those facts.
- (f) Subject to the Corporations Act:
 - (i) if a given number of days' notice, or notice extending over any other period is required to be given, the day on which the notice is to be deemed delivered or served, (and in case of a notice convening a meeting, the day on which the meeting is to be held), shall be excluded in calculating the number of days or other period; and
 - (ii) if this Constitution requires or permits a notice to be given by the Institute, the Directors, a Director or the Chief Executive Officer, or the Secretary, neither accidental omission to give the notice (nor non-receipt of the notice) invalidates the meeting, resolution, procedure, or matter to which the notice relates; and
 - (iii) the signature to a written notice need not be handwritten.

28. Indemnity and Insurance

- (a) To the extent permitted by law, the Institute must indemnify each Relevant Officer against a Liability of that person and the Legal Costs of that person.
- (b) The indemnity pursuant to clause 28(a):
 - (i) is enforceable without the Relevant Officer having first to incur any expense or make any payment;
 - (ii) is a continuing obligation and is enforceable by the Relevant Officer even though the Relevant Officer may have ceased to be an officer of the Institute; and
 - (iii) applies to Liabilities and Legal Costs incurred both before and after this clause 28 became effective.
- (c) To the extent permitted by law, the Institute may make a payment (whether by way of advance, loan or otherwise) to a Relevant Officer in respect of Legal Costs of that person.
- (d) To the extent permitted by law, the Institute may:
 - (i) enter into, or agree to enter into; or
 - (ii) pay, or agree to pay, a premium for,

a contract insuring a Relevant Officer against a Liability of that person and the Legal Costs of that person.

- (e) For the purpose of this clause 28:
- (i) "**Legal Costs**" of a person means legal costs calculated on a solicitor-and-client basis incurred by that person in defending or resisting any proceedings (whether criminal, civil, administrative or judicial), appearing before or responding to actions taken by any court, tribunal, government authority or agency, other body or commission, a liquidator, an administrator, a trustee in bankruptcy or other authorised official, where that proceeding, appearance or response relates to a Liability of that person;
 - (ii) "**Liability**" of a person means any liability including negligence (except a liability for legal costs) incurred by that person in or arising out of the discharge of duties as an officer of the Institute or in or arising out of the conduct of the business of the Institute, including as result of appointment or nomination by the Institute or a subsidiary as a trustee or as a director, officer or employee of another body corporate; and
 - (iii) "**Relevant Officer**" means a person who is, or has been, a Director or Secretary of the Institute.

29. Amending this Document

- (a) This Constitution may be amended in accordance with the requirements of the Corporations Act. Subparagraphs (b) and (c) apply at all times while the Institute is an Approved Research Institute.
- (b) The Institute may revoke, add to or vary any of the provisions of this Constitution document, so long as:
 - (i) No part of the Institute or the income of the Institute becomes subject to any institutions, organization, fund or authority other than an Approved Research Institute; and
 - (ii) Unless the Commissioner of Taxation consents to the revocation, addition or variation:
 - A. No amendment is made to or affecting the purpose of the Institute;
 - B. No amendment is made which authorises the Research Advisory Committee to invest money of the Exclusive Research Fund other than in a manner in which trustees are permitted to invest under the laws of Australia or of any State or Territory of Australia.
- (c) The Institute must notify the Commissioner of Taxation of the amendment prior to the amendment being effected.

Schedule 1

Application for Membership

I would like to support the activities of the Regional Australia Institute Limited by becoming a member.

Membership Category: (Indicate one)

Foundation Member

Individual Membership

Corporate Membership

Ordinary Member

Individual Membership

Corporate Membership

Member details

Name

Position

Organisation

Address

Town/City State

Country Postcode

Telephone

Facsimile

Email

Occupation

Signature

Date

Members agree to be bound by the rules of the Institute as detailed in the Regional Australia Institute Limited Constitution.

I enclose the applicable membership fee, being \$[insert].